

**THE TENNESSEE REGULATORY AUTHORITY**

**AT NASHVILLE, TENNESSEE**

**DECEMBER 28, 2001**

**IN RE:**

**CAMBRIDGE SECURITY LLC**

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**DOCKET NO. 01-00918**

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**ORDER APPROVING SETTLEMENT AGREEMENT**

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This matter came before the Tennessee Regulatory Authority ("Authority" or "TRA") at a regularly scheduled Authority Conference held on November 20, 2001, for consideration of a proposed Settlement Agreement between the Consumer Services Division of the TRA (the "CSD") and Cambridge Security LLC ("Cambridge") for violations of the Tennessee Do-Not-Call Telephone Sales Solicitation statutes, Tenn. Code Ann. § 65-4-401 *et seq.* The proposed Settlement Agreement is attached hereto as Exhibit A.

Tenn. Code Ann. § 65-4-404 and Tenn. Comp. R. & Regs. 1220-4-11-.07(1) prohibit persons and entities from knowingly making or causing to be made telephone sales solicitation calls to any residential subscribers in this state who have given timely and proper notice to the Authority of their objection to receiving telephone solicitations. Tenn. Code Ann. § 65-4-405(f) authorizes the Authority to initiate proceedings relative to violations of the Do-Not-Call statutes and the TRA rules and regulations (Tenn. Comp. R. & Regs. 1220-4-11-.01 *et seq.*) promulgated pursuant to the Do-Not-Call statutes. "Such proceedings may include without limitation proceedings to issue a cease and desist order, to issue an order imposing a civil penalty up to a maximum of two thousand

dollars (\$2,000) for each knowing violation and to seek additional relief in any court of competent jurisdiction.” Tenn. Code Ann. § 65-4-405(f).

Between July 5, 2001 and September 6, 2001, the CSD received three (3) complaints against Cambridge related to telephone solicitations from Tennessee consumers whose residential telephone numbers were properly and timely registered on the Tennessee Do-Not-Call Register. The CSD provided Cambridge with notice of the complaints on July 24, 2001, July 30, 2001, and September 10, 2001. Cambridge faced a maximum civil penalty of six thousand dollars (\$6,000) arising from these three (3) violations.

The proposed Settlement Agreement was negotiated as the result of the CSD’s investigation into the complaint against Cambridge. In negotiating the terms and conditions of this Settlement Agreement, the CSD took into consideration Tenn. Code Ann. § 65-4-116(b), which provides:

In determining the amount of the penalty, the appropriateness of the penalty to the size of the business of the person, firm or corporation charged, the gravity of the violation and the good faith of the person, firm or corporation charged in attempting to achieve compliance, after notification of a violation, shall be considered. The amount of the penalty, when finally determined, may be deducted from any sums owing by the state to the person, firm or corporation charged or may be recovered in a civil action in the courts of this state.

Cambridge has an office in Jackson, Tennessee. As of November 2001, Cambridge employed approximately thirty (30) workers. After receiving notice of the complaint, Cambridge agreed to settle the above-styled complaints. The CSD’s investigation revealed that Cambridge has no known history of violating the statutes and rules enforceable by the Authority and has not previously engaged in a pattern of continued violations of Tenn. Code Ann. § 65-4-401 *et seq.* Cambridge has been

registered as a telephone solicitor with the TRA since July 12, 2001.

As part of this Settlement Agreement, Cambridge agrees to comply with all provisions of the Tennessee Do-Not-Call Sales Solicitation law and regulations. In addition, Cambridge agrees to pay the Authority a civil penalty in the amount of five thousand dollars (\$5,000). The Settlement Agreement requires Cambridge to make an initial payment of three thousand dollars (\$3,000) on the day the Authority approves the Settlement Agreement and remit the remaining two (2) installments of one thousand dollars (\$1,000) each no later than the first business day of each of the two (2) consecutive months following the Authority's approval of the Settlement Agreement.

A company representative attended the Authority Conference on November 20, 2001. During the Authority's deliberation of the Settlement Agreement, the company representative requested that the Settlement Agreement be modified to allow for payment of the agreed amount of five thousand dollars (\$5,000) in five (5) equal monthly payments of one thousand dollars (\$1,000). The CSD informed the Authority that it had no objection to this request. After review and consideration of the Settlement Agreement and the requested amendment thereto, the Directors voted unanimously to accept and approve the Settlement Agreement as amended.

**IT IS THEREFORE ORDERED THAT:**


1. The Settlement Agreement, attached hereto as Exhibit A, is accepted and approved and is incorporated into this Order as if fully rewritten herein with the exception of the following amendment related to payment of the civil penalty.

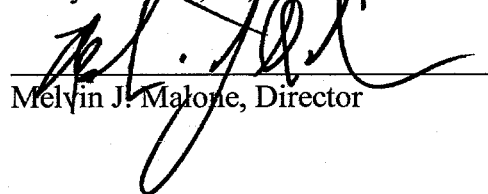
2. The amount of five thousand dollars (\$5,000) shall be paid by Cambridge into the Public Utilities Account of the TRA in compliance with the terms of the

Settlement Agreement as amended during the November 20, 2001 Authority Conference. Cambridge shall make the first payment of one thousand dollars (\$1,000) on the day the Authority approves the Settlement Agreement. Cambridge shall remit the remaining four (4) installments of one thousand dollars (\$1,000) each no later than the first business day of each of the four (4) consecutive months following the Authority's approval of the Settlement Agreement.

3. Upon payment of the amount of five thousand dollars (\$5,000), Cambridge is excused from further proceedings in this matter, provided that, in the event of any failure on the part of Cambridge to comply with the terms and conditions of the Settlement Agreement, the Authority reserves the right to re-open this docket.

  
Sara Kyle, Chairman

  
H. Lynn Greer, Jr., Director

  
Melvin J. Malone, Director

ATTEST:

  
K. David Waddell, Executive Secretary



11.07(1), by knowingly making or causing to be made telephone sales solicitation calls to three (3) residential subscribers in this state who had given timely and proper notice to the TRA of their objection to receiving telephone solicitations. All the complainants' phone numbers have been registered and in effect since October 1, 2000. CSD provided Cambridge with notice of these complaints on July 24, 2001, July 30, 2001, and September 17, 2001.

TENN. CODE ANN. § 65-4-405(f) authorizes the TRA to assess penalties for violations of the Tennessee Do-Not-Call statutes, including the issuance of a cease and desist order and the imposition of a civil penalty of up to a maximum of two thousand dollars (\$2,000) for each knowing violation. The maximum fine faced by Cambridge in this proceeding is six thousand dollars (\$6,000). CSD relied upon the factors stated in TENN. CODE ANN. § 65-4-116(b) during the negotiations which resulted in this agreement, including Cambridge's size, financial status, and good faith and the gravity of the violation.

In an effort to resolve these three (3) complaints, represented by the file numbers above, CSD and Cambridge agree to settle these complaints based upon the following acknowledgements and terms subject to approval by the Directors of the TRA:

1. Cambridge admits that the three (3) complaints against it are true and valid complaints and are in violation of TENN. CODE ANN. §65-4-404 and TENN. COMP. R. & REGS. 1220-4-11.07(1).
2. After receiving notice of the complaints that are the subject of this agreement, Cambridge acted in a cooperative manner, met with the CSD staff and expressed an interest in settling the complaints. Cambridge also proposed methods for preventing future violations of TENN. CODE ANN. § 65-4-404 and TENN. COMP. R. & REGS. 1220-4-11.07(1).
3. Cambridge reregistered with the TRA as a telephone solicitor on September 25, 2001, and obtains a monthly copy of the Do-Not-Call Register.
4. Cambridge agrees to a civil penalty of five thousand dollars (\$5,000.00) for these complaints as authorized by TENN. CODE ANN. §65-4-405(f), and agrees to remit the amount of three thousand dollars (\$3,000.00) to the TRA Office of the Executive Secretary on the day the Directors of the TRA approve this Settlement Agreement.<sup>1</sup> The remaining two (2) installments of one thousand dollars (\$1,000.00) shall be remitted no later than the first business day of each month for the next two (2) consecutive months beginning on the first day of the month which is thirty (30) days after the first payment. Upon payment of the amount of five thousand dollars

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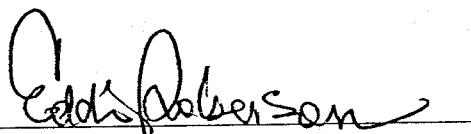
<sup>1</sup> The payments may be made in the form of a check, payable to the Tennessee Regulatory Authority, referencing the above stated TRA Docket Number.

(\$5,000.00) in compliance with the terms and conditions of this Settlement Agreement, Cambridge is excused from further proceedings in this matter.

5. Cambridge agrees to comply with all provisions of the Tennessee Do-Not-Call Telephone Sales Solicitation law and regulations. Cambridge on its own accord, has instituted additional procedures to further minimize the potential for telephone solicitation calls to Tennessee consumers whose residential telephone numbers are registered on the Tennessee Do-Not-Call Register.
6. Provided Cambridge fully complies with the terms of this Settlement Agreement, the TRA agrees that it will not pursue any claims against, or seek payment of any civil penalties against Cambridge for alleged violations of the Tennessee Do Not Call Sales Solicitation Law and regulations occurring prior to the date of this Agreement.
7. In the event of any failure on the part of Cambridge to comply with the terms and conditions of this agreement, the Authority reserves the right to re-open this docket. Cambridge shall pay any costs incurred to secure compliance and enforce this Settlement Agreement.



8. Cambridge agrees that a company representative will attend the Authority Conference at which time the Directors consider for approval this Settlement Agreement.

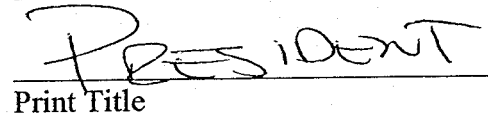


Eddie Roberson  
Chief, Consumer Services Division  
Tennessee Regulatory Authority

10-25-01  
Date



Print Name



Print Title

Cambridge Security LLC

10-14-2001  
Date